



State of Utah  
Governor Jon M. Huntsman, Jr.

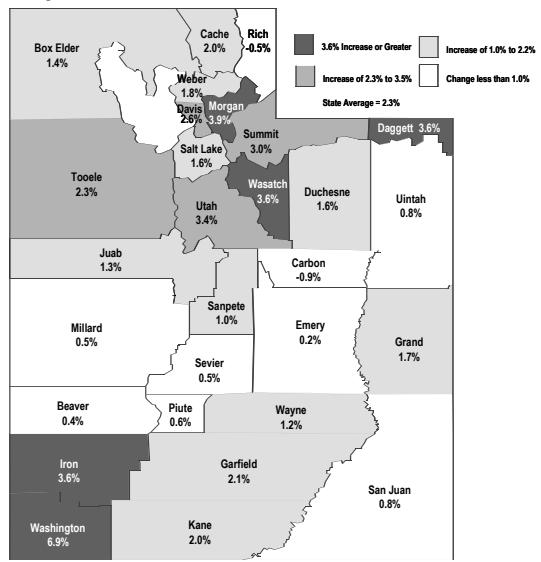
## Demographics

- ▶ **Population:** The state's official July 1, 2004 population was estimated to be 2.47 million, increasing 2.3% from 2003. Although the state continues to experience net in-migration, natural increase accounts for the majority of Utah's population growth.
- ▶ **Rate of Growth:** According to the U.S. Census Bureau, Utah ranked seventh among states with a population growth rate of 1.6% from 2003 to 2004. The U.S. rate of growth was 1.0%.
- ▶ **Median Age:** According to U.S. Census Bureau, Utah continued to be the youngest state in the nation in 2003, with a median age of 27.5, compared to 35.9 nationally.
- ▶ **Long-Term Projections:** The state's population is projected to be 2.83 million in 2010, 3.49 million by 2020, 4.09 million in 2030, 4.7 million in 2040, and will reach 5.4 million by 2050.

2004 Utah Population Estimate	2,469,230
2003-2004 Percent Change	2.3%
2004 Net Migration	18,367
2004 Natural Increase	37,245
2004 Fiscal Year Births	50,527
2004 Fiscal Year Deaths	13,282

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### Population Growth Rates: 2003-2004

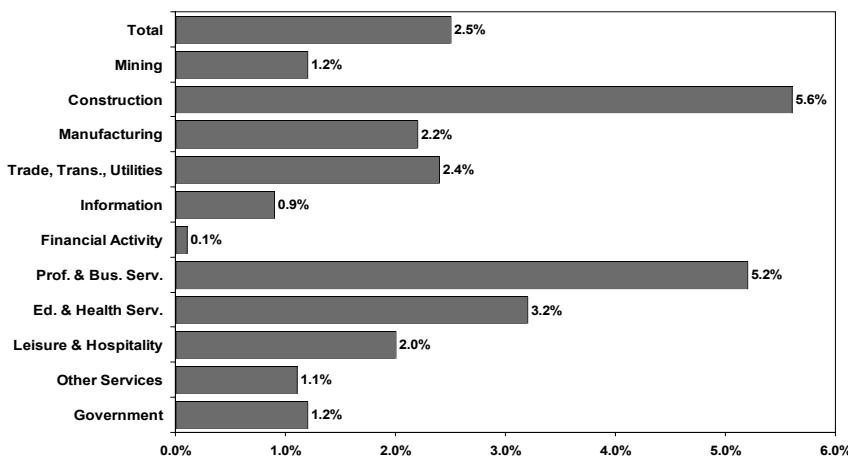


Source: Utah Population Estimates Committee

## Employment and Wages

- ▶ Utah's economy improved significantly in 2004, rebounding from the downturn that began in 2001.
- ▶ **Job Growth** – Job growth rebounded from 0.0% in 2003 to 2.5% in 2004.
- ▶ **Industry Focus** – Construction, professional and business services, and education and health services all experienced job growth higher than the state average of 2.5%. All other sectors also experienced positive job growth from 2003 to 2004.
- ▶ **Unemployment** – Utah's 2004 unemployment rate was 5.3%. On average, there were 63,100 Utahns unemployed in 2004.
- ▶ **Average Wage** – In 2004, Utah's average annual nonagricultural wage was \$31,415, an increase of 2.6% from 2003.

### Percent Change in Utah Employment by Industry: 2003-2004 Annual Averages



Source: Department of Workforce Services

Total Nonagricultural Employment (2004p)	\$1,101,400
Increase (2003-2004)	27,269
Percent Change (2003-2004)	2.5%
Unemployment Rate (2003)	5.3%
Total Nonagricultural Wages (2004p)	\$34.6 billion
Percent Change (2003-2004)	5.2%
Average Annual Wage (2004p)	\$31,415
Percent Change (2003-2004)	2.6%
Total Personal Income (2004p)	\$62.2 billion
Percent Change (2003-2004)	4.9%
Per Capita Personal Income (2004p)	\$25,870
Percent Change (2003-2004)	2.5%

Note: p=preliminary

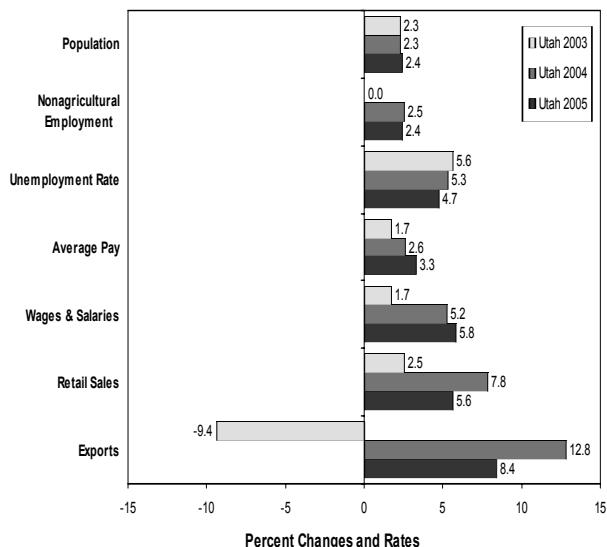
## Industry Focus

- ▶ **Construction** - The value of permit-authorized construction set an all-time record in 2004 of \$4.9 billion. Residential construction led the way with a record \$3.4 billion in new construction. Low mortgage rates throughout 2004 drove demand for new single-family homes to a near record high of 17,000 units.
- ▶ **Tourism** - Utah's travel and tourism sector saw improvements in 2004, as did the industry on a national basis. Each of the five major tourism sectors - transportation, eating and drinking, hotels and lodging, amusement and recreation, and car rentals, all experienced gains. Like the rest of the nation, Utah benefited from an improving economy and the fact that the devastating effects of 9-11 have been dissipating. However, the long-lasting drought, the rise in energy prices, and losses in the national share of the market will pose challenges in 2005.
- ▶ **Exports** - Utah's exports increased 12.8% during 2004, from \$4.1 billion to \$4.6 billion. Shipments of gold accounted for almost 31% of the total during 2004, continuing this new trend in the global economy. Utah's exports to China exceeded \$100 million for the second year in a row, ranking China as Utah's number nine market. As the world economic recovery strengthens during 2005, Utah's exports should continue to grow.
- ▶ **High Technology** - Utah's technology sector continued to lose jobs during 2004, extending a decline that began in 2001. From January 2001 through June 2004 Utah's technology sector lost 9,492 jobs - a drop of over 14%. However, these losses began to abate in 2004. In 2003, 14 industries posted job losses, seven of which were more than 100 workers. In 2004, ten industries posted job losses, however, only two of these (computer and peripheral equipment and motion picture and video production) had losses of more than 100 workers. Five industries reported job growth of more than 100 workers.
- ▶ **Energy and Minerals** - Energy production in Utah was generally on the decline, while consumption and prices were on the rise. Despite recent declines, production of coal and natural gas has satisfied increasing demand, unlike crude oil production, which is only a third of what it was 20 years ago. The value of mineral production in Utah grew 27% during 2004 to \$2.2 billion, from \$1.8 billion in 2003. The record value of production results from substantial increases in both metal prices, and increases in the production and prices of most industrial mineral commodities.
- ▶ **Agriculture** - Net farm income grew from \$ 254 million in 2002 to \$368 million in 2003, which represents a 45% growth rate. Due to high prices for livestock and crops, farm income is forecast to set record levels in 2004 and continue growing in 2005.

## Major Findings

- ▶ **Overview of the Economy** - Utah's economy improved significantly in 2004. The slowdown beginning with the 2001 recession ended, and growth accelerated. Continuing the trend from the 1990s, Utah outperformed the nation in 2004, with job growth of 2.5%, compared to 1.0% nationally. Strong growth in the construction and professional and business services sectors, as well as in defense spending, strengthened the Utah economy in 2004.
- ▶ **The Construction Boom Continues** - Low interest rates and a growing economy powered construction value to an all-time high in 2004 of \$4.9 billion, up 6.4% from the 2003 record of \$4.6 billion. The number of new dwelling units receiving building permits totaled 23,500 in 2004. Low mortgage rates throughout 2004 drove demand for new single-family homes to a near record high of 17,000 units, just under the 1977 record of 17,424. For the second year, condominium construction was very strong, capturing 12% of the residential market.
- ▶ **Record Defense Spending** - Utah's defense industry continued to expand in 2004, due to heightened geopolitical conflict. Defense spending in Utah in 2003 totaled \$3.1 billion, rising 24.7% from the previous year.
- ▶ **Outlook for 2004** - The outlook calls for continued growth during 2005. Employment growth of 2.4% will nearly match the 2004 rate of 2.5%. Population growth will be at 2.4%, a slight increase over 2004's 2.3%, due to stronger net in-migration. Net in-migration is expected to be up since the Utah economy will outperform the national economy in 2004. Construction job growth will remain strong at 4.8% with total value on track to meet or exceed the 2004 record.

**Utah Economic Indicators: 2003-2005**



Source: Council of Economic Advisors' Revenue Assumptions Committee

## Significant Utah Rankings

State Rank		Value	Year	State Rank		Value	Year
<u>Demographic</u>				<u>Economic</u>			
Population Growth Rate	7th	1.6%	2003-2004	Rate of Job Growth	20th	0.0%	2003
Fertility Rate	1st	2.56	2002	Urban Status	9th	88.3% urban	2000
Life Expectancy	3rd	78.6 years	2000	Unemployment Rate	23rd	5.6%	2003
Median Age	1st	27.5 years	2003	Median Household Income	12th	\$49,143	2001-2003
Household Size	1st	3.13 persons	2000	Average Annual Pay	36th	\$31,415	2003
<u>Social Indicators</u>				Per Capita Personal Income	47th	\$25,870	2003
Violent Crime	8th	248.6 per 100,000 people	2003				
Poverty Rate	35th	9.8%	2001-2003				
Educational Attainment	5th	90.0% of persons 25+ w/ high school degree	2003				

Notes: 1) Rankings are based on the most current national data available for all states, and may differ from other data.  
2) Rank is most favorable to least favorable.